



AMERICAN FOREST & PAPER ASSOCIATION

Office of the President

October 27, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman *Bill*

On behalf of the American Forest & Paper Association (AF&PA), I am writing in support of the "American Jobs Creation Act of 2003." Your legislation to replace the WTO illegal FSC/ETI regimes is urgently needed to help make domestic manufacturing more globally competitive and to forestall trade retaliation by the European Union.

AF&PA represents companies ranging from small family-owned manufacturing facilities to large international operations. Our members are hit squarely by the elimination of the FSC/ETI benefit on exported products, and they are also the target of potential retaliation. Over \$300 million of the \$4 billion of U.S. products targeted for sanctions by the EU are wood and paper products.

The U.S. currently imposes among the highest level of taxes on corporations in the industrialized world, resulting in a loss of competitiveness for domestic manufacturing industries such as ours. Since 1997, approximately 220 U.S. wood and paper manufacturing facilities have been closed and more than 120,000 manufacturing jobs lost.

We compliment you for taking a straightforward approach of lower tax rates on income from domestic manufacturing and inputs to forest products manufacturing, such as timber. At the same time, we agree with you that international operations of U.S. companies should not be penalized by the tax code as they are under today's law.

The industry looks forward to working with you in support of your efforts to replace the FSC/ETI regime with the provisions in the "American Jobs Creation Act of 2003."

With kindest personal regards, I remain,

Sincerely yours,

W. Henson Moore
President and Chief Executive Officer